



CPAS & ADVISORS

Mid- Minnesota Development Commission

Audit Report

June 30, 2023

Independent Auditor's Report

Pages 2-4:

- **Financial statements are presented fairly in our opinion**
- Conducted audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards
- Financial statements are the responsibility of the Commission's management
- Our responsibility is to express opinions on these financial statements based on our audit
- Obtain reasonable assurance financials are free of material misstatement

Independent Auditor's Report (Cont'd)

Pages 2-4:

- MD&A, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions, and related notes are required supplementary information and unaudited
- Supplementary information is fairly stated in relation to financial statements taken as a whole

Management's Discussion and Analysis (MD&A)

Pages 5-11:

- Executive summary written by management
- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,626,733
- General Fund fund balance decreased by \$55,823
- Legacy Revolving Loan Special Revenue Fund fund balance increased by \$10,606
- CARES Revolving Loan Special Revenue Fund fund balance decreased by \$7,233
- ARPA Revolving Loan Special Revenue Fund fund balance increased by \$416,065

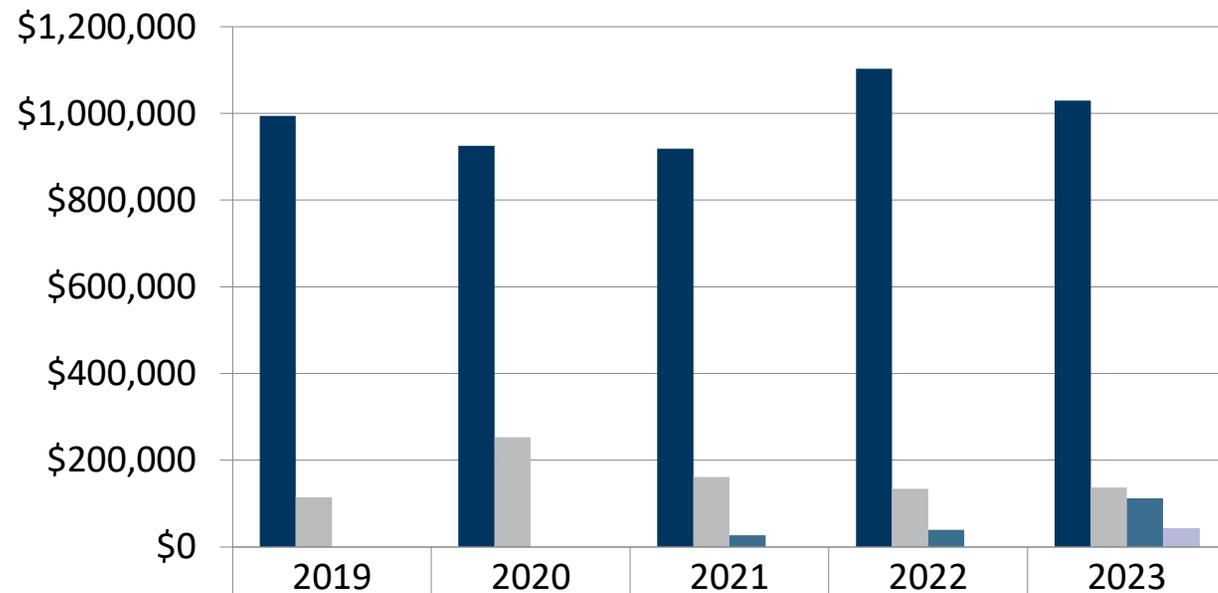
Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Current	\$ 3,463,154	\$ 3,112,309	\$ 350,845
Capital	72,384	103,611	(31,227)
Total Assets	<u>3,535,538</u>	<u>3,215,920</u>	<u>319,618</u>
Deferred Outflows of Resources			
Related to Pensions	<u>217,138</u>	<u>300,653</u>	<u>(83,515)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,752,676</u>	<u>\$ 3,516,573</u>	<u>\$ 236,103</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities			
Current Liabilities	\$ 67,142	\$ 84,747	\$ (17,605)
Long-Term Liabilities	649,990	414,676	235,314
Total Liabilities	<u>717,132</u>	<u>499,423</u>	<u>217,709</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	383,428	378,999	4,429
Related to Pensions	25,383	291,510	(266,127)
Total Deferred Inflows of Resources	<u>408,811</u>	<u>670,509</u>	<u>(261,698)</u>
Net Position			
Net Investment in Capital Assets	21,475	29,627	(8,152)
Restricted for Revolving Loan Fund	1,278,050	869,218	408,832
Unrestricted	1,327,208	1,447,796	(120,588)
Total Net Position	<u>2,626,733</u>	<u>2,346,641</u>	<u>280,092</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,752,676</u>	<u>\$ 3,516,573</u>	<u>\$ 236,103</u>

Statement of Activities

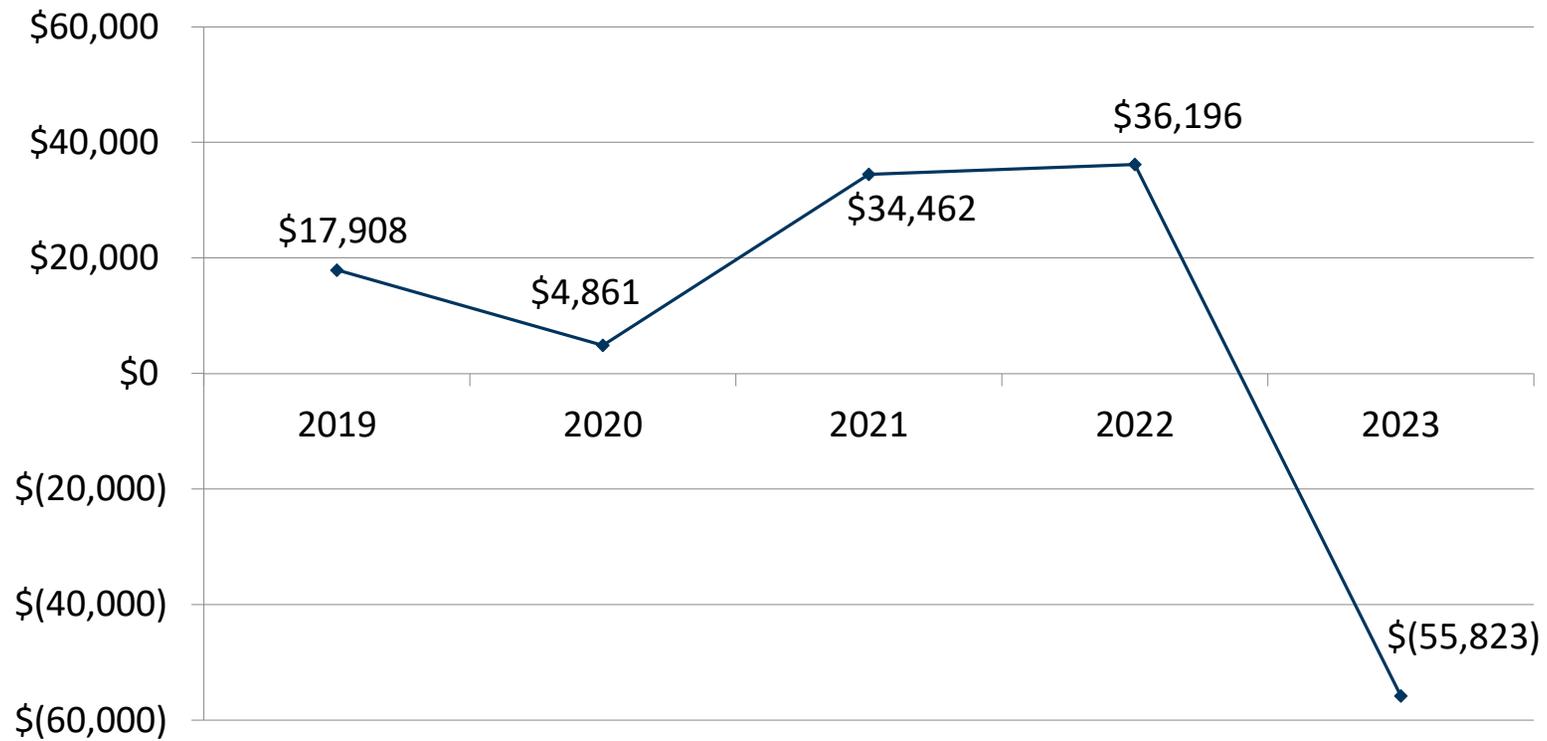
	2023	2022	Change
REVENUES			
Program Revenues			
Charges for Services	\$ 152,996	\$ 99,466	\$ 53,530
Operating Grants and Contributions	777,857	546,259	231,598
General Revenues			
Taxes	385,912	374,185	11,727
Other	36,711	10,880	25,831
Total Revenues	<u>1,353,476</u>	<u>1,030,790</u>	<u>322,686</u>
EXPENSES			
Administration	118,081	136,118	(18,037)
Technical Assistance	237,909	146,353	91,556
Transportation Planning	93,819	87,556	6,263
Economic Development Administration	317,226	290,924	26,302
Revolving Loan Fund Administration	76,924	32,444	44,480
Regional Transportation Coordinating Council	223,229	203,901	19,328
Administrative Services	6,196	5,973	223
Total Expenses	<u>1,073,384</u>	<u>903,269</u>	<u>170,115</u>
Change in Net Position	280,092	127,521	152,571

Cash and Investments

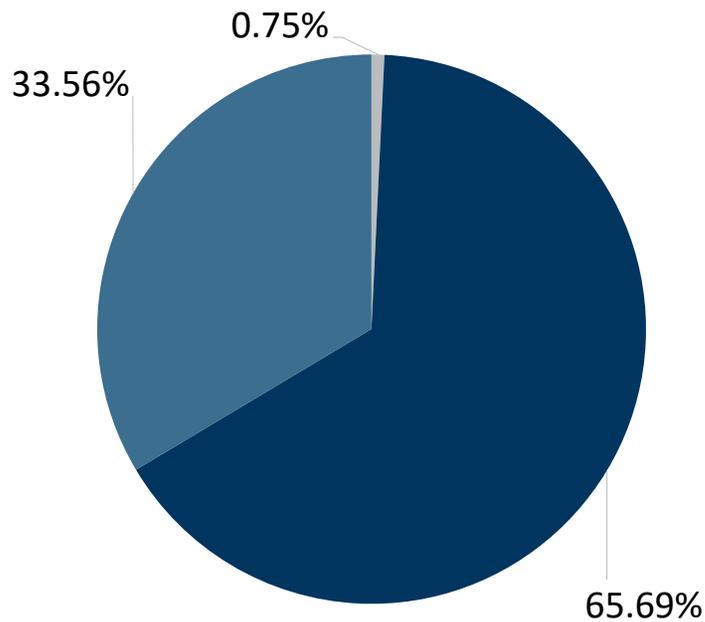


	2019	2020	2021	2022	2023
■ General	\$994,301	\$924,827	\$918,239	\$1,102,588	\$1,029,140
■ Legacy Special Revenue (RLF)	114,220	252,762	160,974	134,056	137,220
■ CARES Special Revenue (RLF)			27,052	39,337	111,772
■ ARPA Special Revenue (RLF)					41,367

General Fund – Change in Fund Balance



General Fund Balance Breakdown



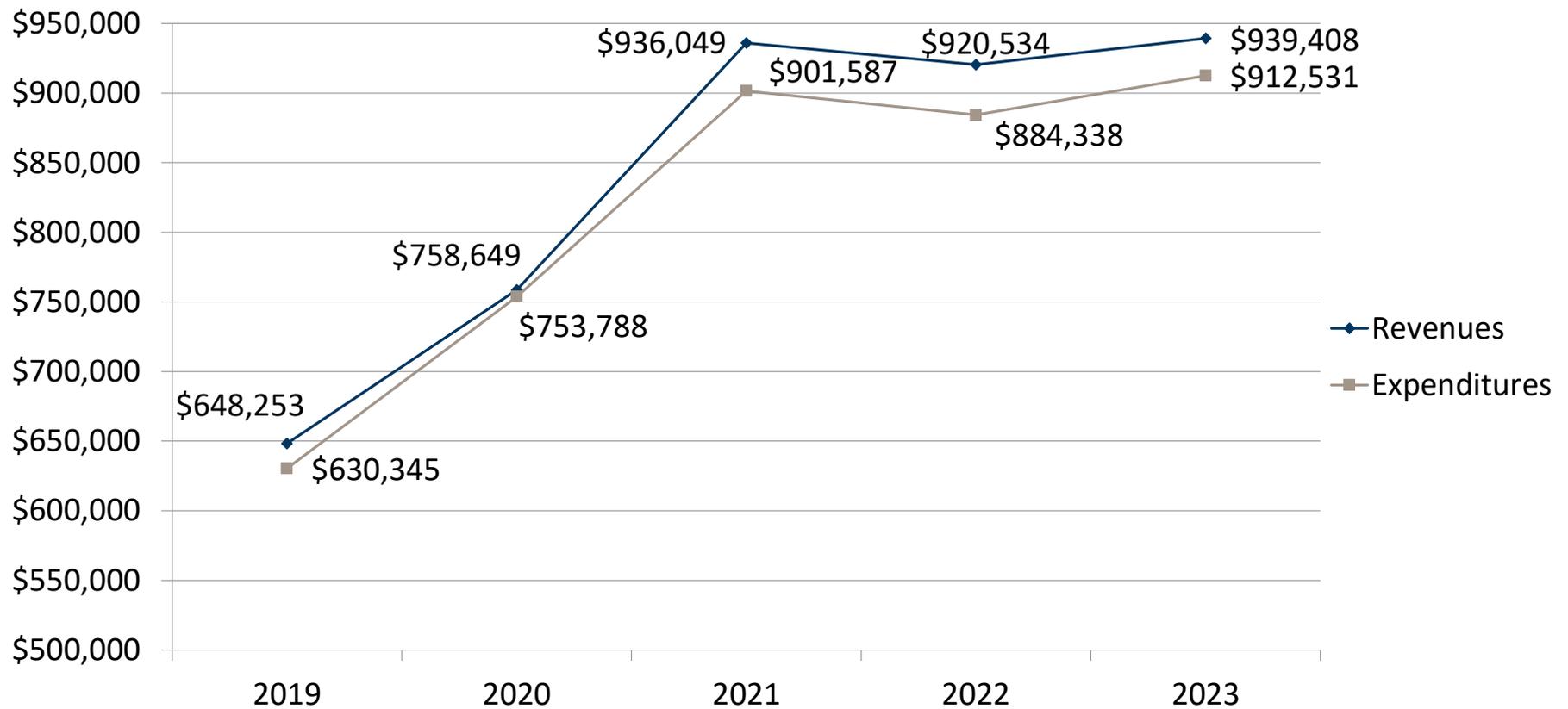
■ Nonspendable ■ Committed ■ Unassigned

	<u>2023</u>	<u>2022</u>
Nonspendable	\$ 6,509	\$ 5,651
Committed	573,828	573,828
Unassigned	293,196	349,877
Total	\$ 873,533	\$ 929,356

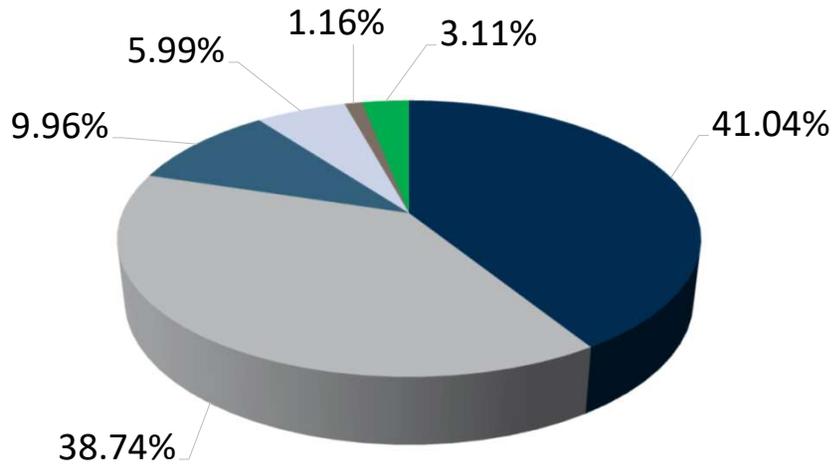
Breakdown of Committed Funds

Emergency Staff Coverage	\$ 45,000	\$ 45,000
Unemployment	37,500	37,500
Operating Capital	245,000	245,000
Facilities Fund	75,117	75,117
Community Enhancement	121,211	121,211
Planning Assistance	50,000	50,000
Total	\$ 573,828	\$ 573,828

General Fund Revenues and Expenditures



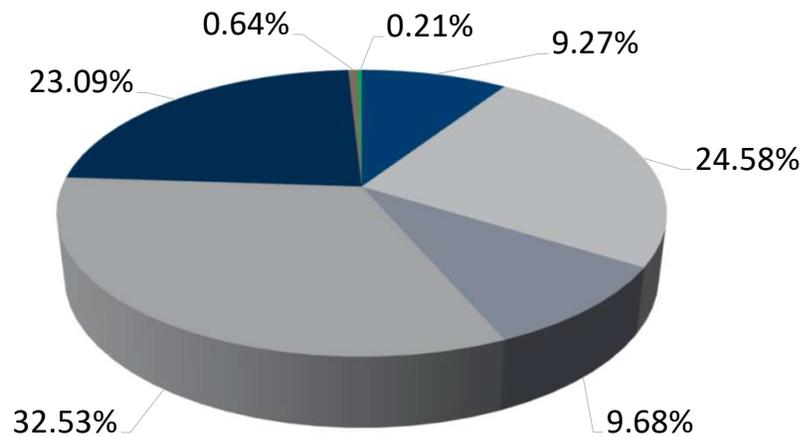
General Fund Revenues



- Property Tax Levies ■ Federal Sources ■ State Sources
- Local Sources ■ Interest ■ Other

	<u>2023</u>	<u>2022</u>
Property Tax Levies	\$ 385,506	\$ 374,802
Federal Sources	363,905	399,847
State Sources	93,597	93,048
Local Sources	56,233	37,325
Interest	10,923	5,321
Other	29,244	10,191
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Total	<u>\$ 939,408</u>	<u>\$ 920,534</u>

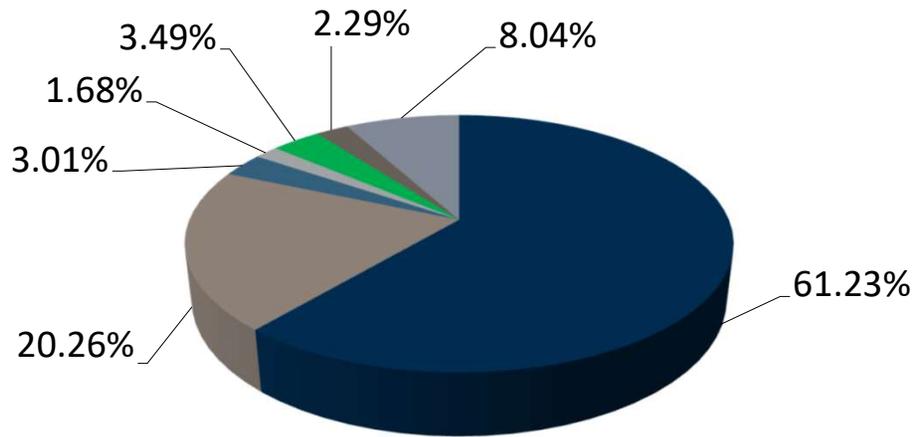
General Fund Expenditures by Program



	<u>2023</u>	<u>2022</u>
Administration	\$ 84,645	\$ 139,941
Technical Assistance	224,267	147,426
Transportation Planning	88,345	89,983
EDA Administration	296,820	293,350
RTCC	210,687	205,392
Administrative Services	5,823	6,022
Capital Outlay	1,944	2,224
Total	\$ 912,531	\$ 884,338

- Administration
- Technical Assistance
- Transportation Planning
- EDA Administration
- RTCC
- Administrative Services
- Capital Outlay

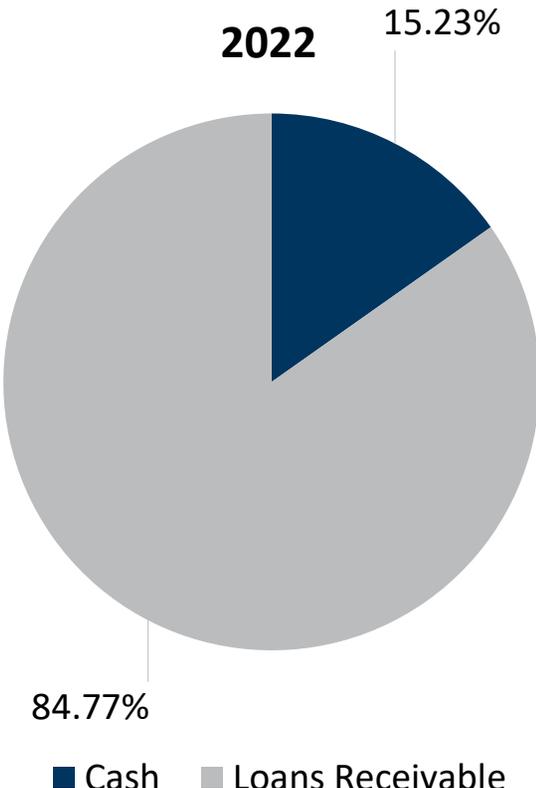
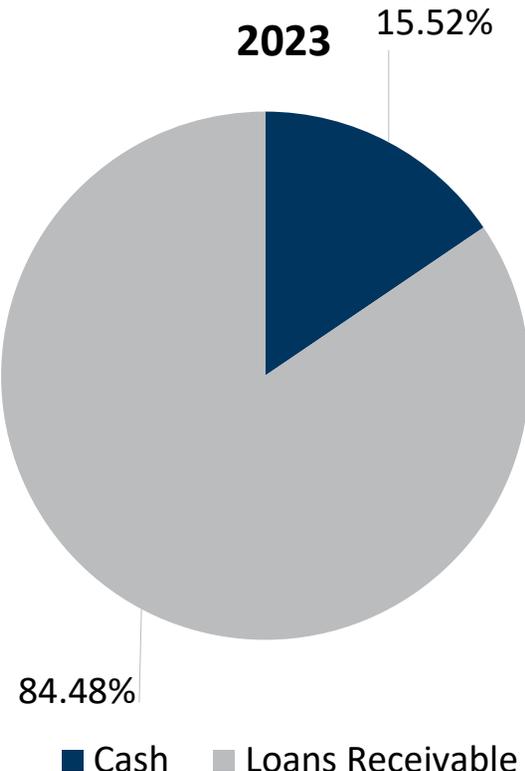
General Fund Expenditures by Object Code



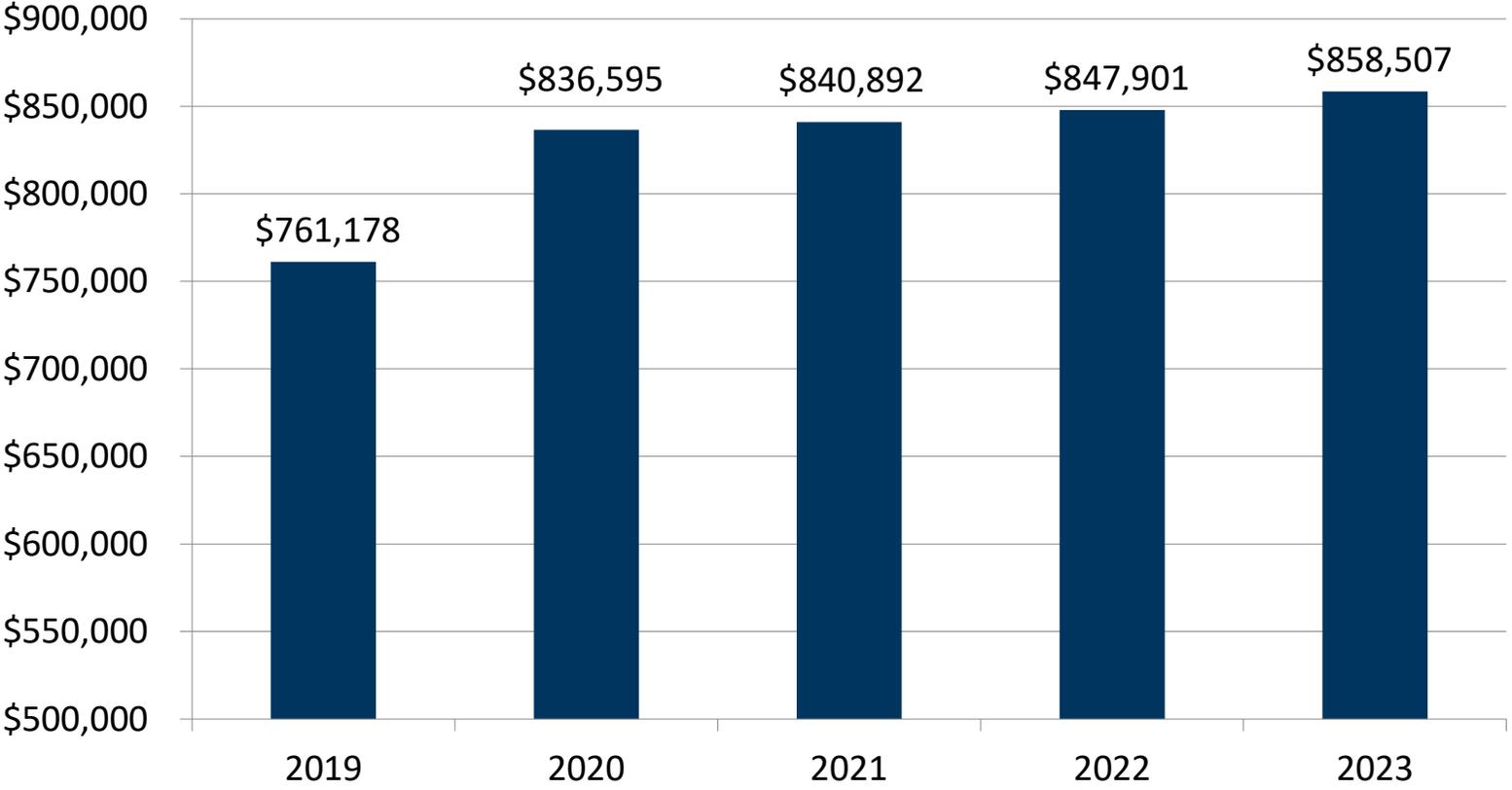
	<u>2023</u>	<u>2022</u>
Salary and Wages	\$ 558,747	\$ 562,440
Employee Benefits	184,882	178,165
Occupancy	27,471	27,470
Transportation and Mileage	15,347	14,055
Office	31,835	33,443
Professional Services	20,928	23,358
Other	<u>73,321</u>	<u>45,407</u>
Total	<u>\$ 912,531</u>	<u>\$ 884,338</u>

- Salary and Wages
- Employee Benefits
- Occupancy
- Transportation and Mileage
- Office
- Professional Services
- Other

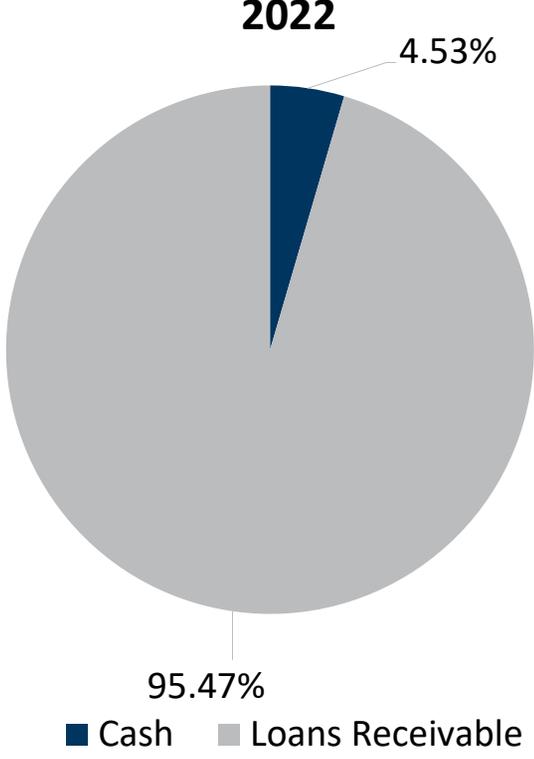
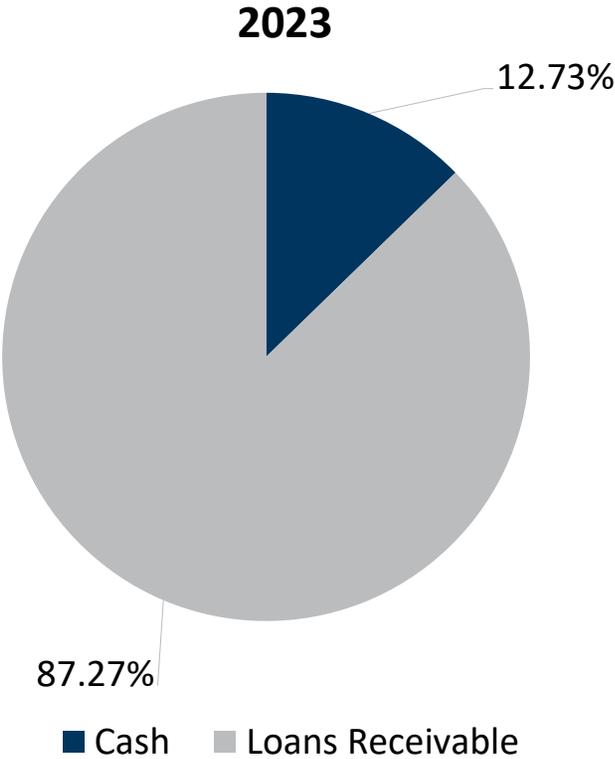
Legacy Revolving Loan Fund Percentages (Comparative)



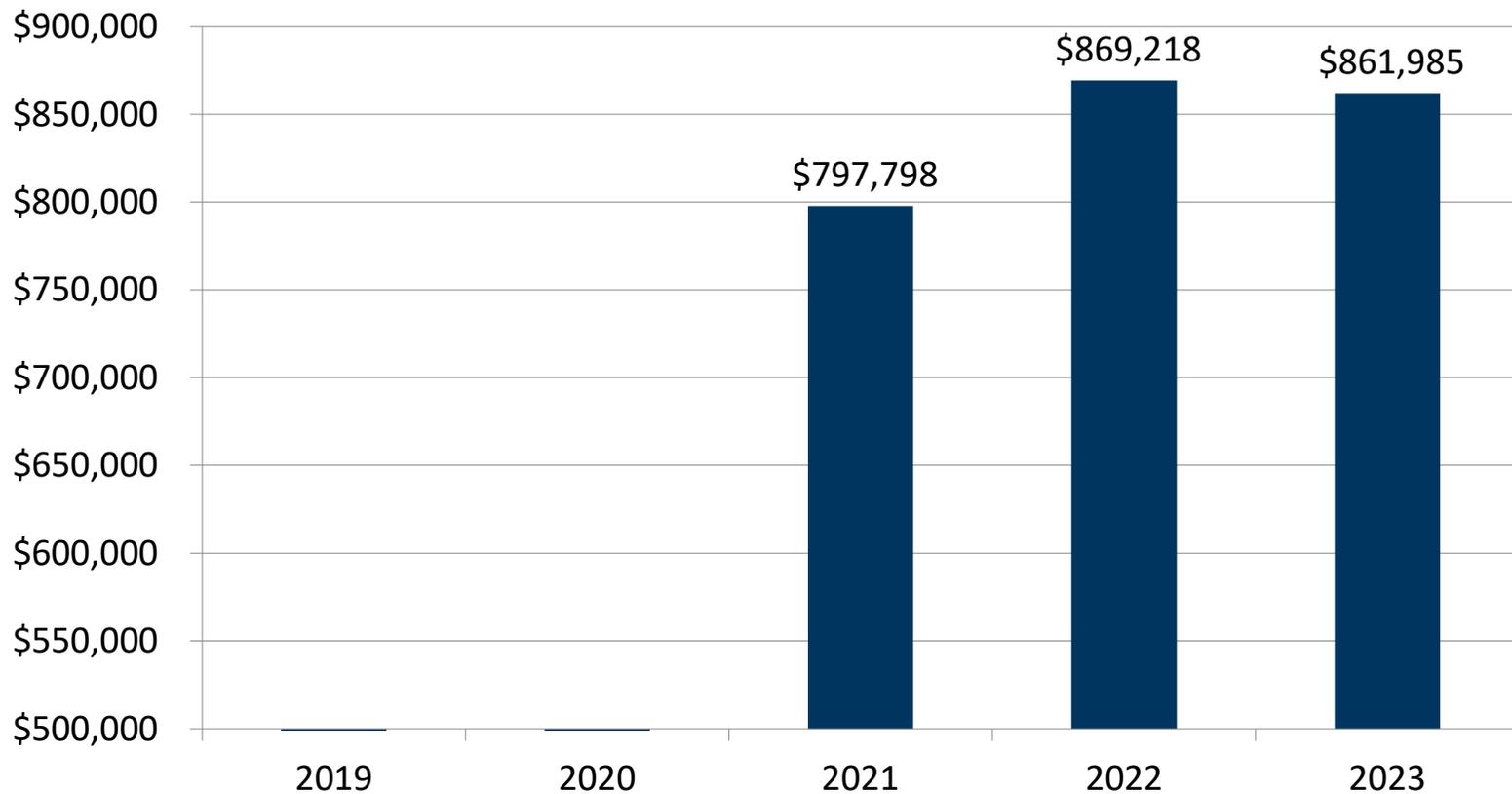
Legacy Revolving Loan Fund - Fund Balance



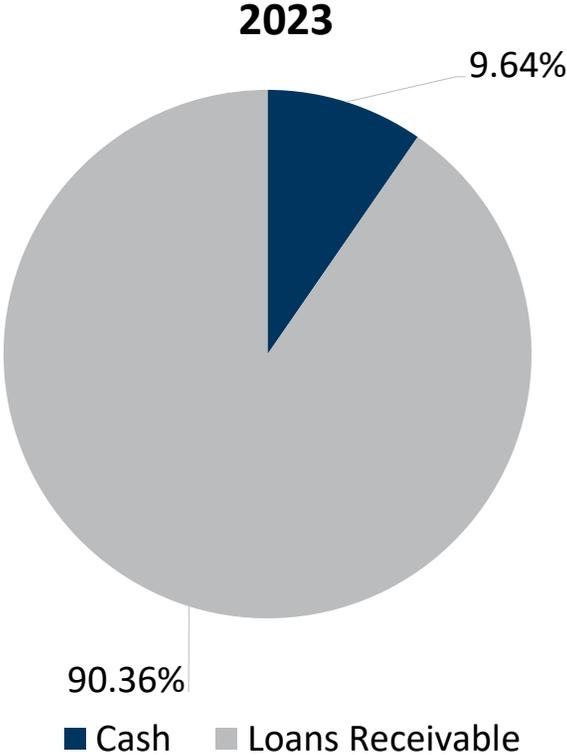
CARES Revolving Loan Fund Percentages (Comparative)



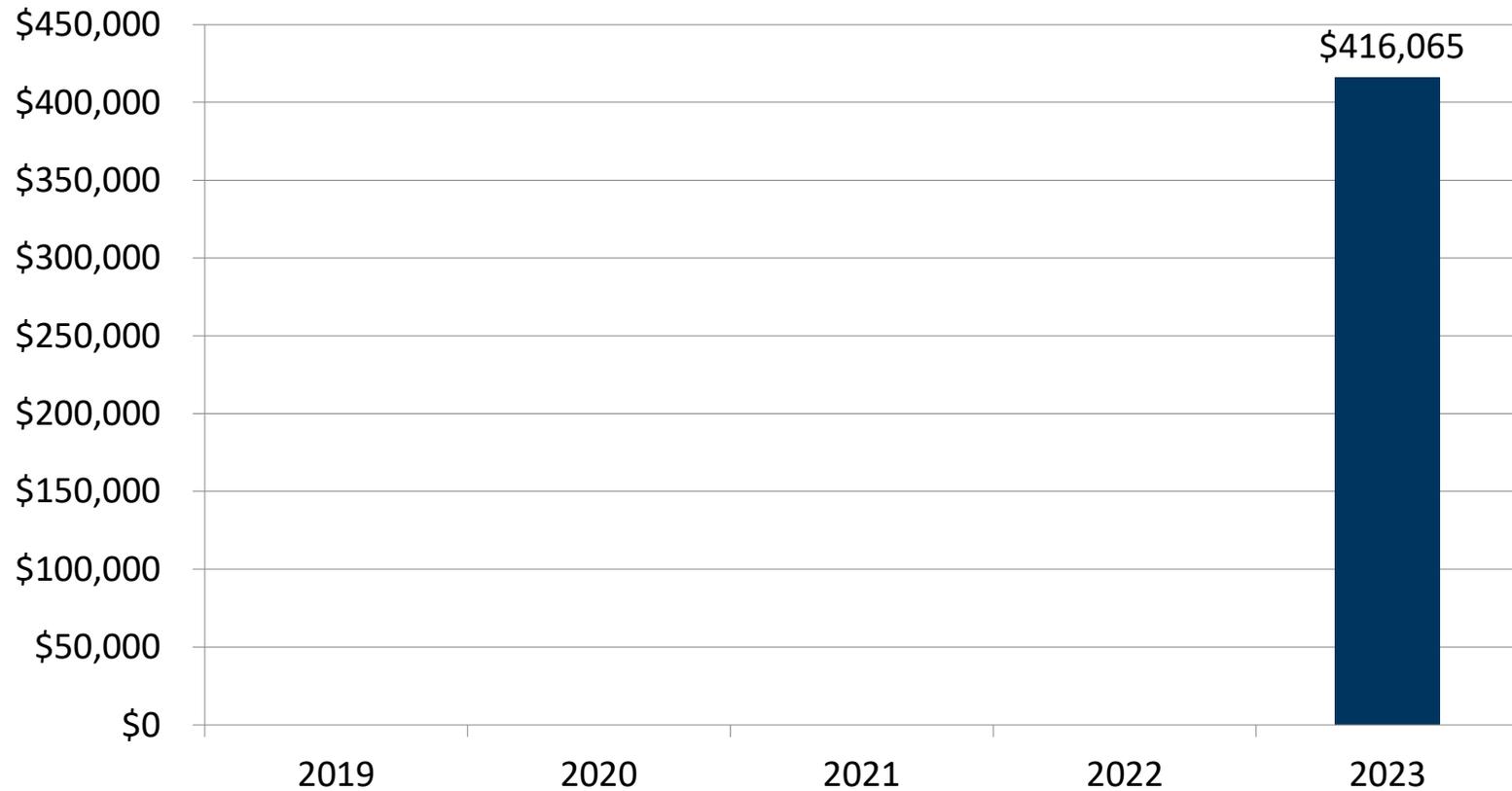
CARES Revolving Loan Fund - Fund Balance



ARPA Revolving Loan Fund Percentages



ARPA Revolving Loan Fund - Fund Balance



Compliance Section

Minnesota Legal Compliance (page 60)

- In accordance with Audit Guide issued by OSA
- No compliance issues noted

Government Auditing Standards (pages 61-62)

- Internal Control
 - Material Weaknesses
 - 2023-001 Limited Segregation of Duties
 - 2023-002 Auditor Prepared Financial Statements
 - Compliance and Other Matters
 - No instances of noncompliance noted

Compliance Section (Cont'd)

Single Audit (pages 63-65)

- Compliance - No issues noted
- Internal Control over Compliance
 - No material weaknesses noted

Schedule of Findings and Questioned Costs (pages 66-68)

- Federal program tested as major:
 - Economic Adjustment Assistance (RLF)

Communications

- Accounting Practices
- No Difficulties Encountered
- Corrected and Uncorrected Misstatements
- No Disagreements with Management
- Management Representations
- No Management Consultations with Other Accountants
- Other Audit Findings or Issues

Questions or Comments?

Contact Information:

Justin McGraw, CPA

jmcgraw@cdscpa.com

320-693-7975